Tells the Facts and Names the Names

CounterPunch

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Let Them Eat Cake

"I got sick of it. I also now make so much money that I just lost interest in saving a buck on a can of peas."

— ABC News reporter John Stossel, hero to the Fortune 500, on why he stopped doing consumer reporting.

Drugs, Contras and CIA:

Post Defends Agency's Honor

On August 18 of this year the *San Jose Mercury News* launched a three-part series on how the Nicaraguan contras had financed their war by sales of cocaine in the US, later processed into crack and sold on the West Coast. The newspaper's reporter, Gary Webb, also implied that the CIA knew of this trafficking.

Neglected for weeks by the mainstream press, the *Mercury News*'s stories created an uproar in black communities ravaged by crack. Maxine Waters, who represents South Central Los Angeles in the US Congress, lined up with Jesse Jackson Jr. and members of the Black Congressional Caucus to demand investigations by the Justice Department and the Inspector General's office of the CIA.

Black radio talk show host Joe Madison of Washington, DC devoted twelve straight days to the story. Dick Gregory led a protest march in the Capital. The *Mercury News* vigorously promoted its investigation on the Internet, where nearly 100,000 people a day dipped into its findings. The stories were also taken by Central American solidarity networks as vindication of what they had long asserted. Some remembered the banner unfolded during the Iran/contra hearings: "Ask about cocaine."

At the official level, CIA director John Deutch said that the CIA had most certainly not been involved but simultaneously ordered an internal review, thus avoiding public enquiry. At the semi-official level, the *Washington Post*'s Howard Kurtz, the newspaper's media critic, attacked the *Mercury News*'s stories as fatally flawed. On October 2, Kurtz published a rambling assault, loaded with criticism of everything from the logo on the reprints of the *Mercury News's* series showing a black youth lighting a crack pipe over the seal of the CIA to Webb's use of the (entirely accurate) phrase "the CIA's army" to describe the contras. He said Webb was a headline-grabber and then made the outlandish assertion that all previous "investigations failed to prove that the CIA condoned or even knew about" contra drug trafficking.

Kurtz's attack was a preamble for a full-scale assault two days later. On October 4, the *Post* ran a 5,000 word attack by Robert Suro and Walter Pincus; also a 1,500 word essay by Michael Fletcher on black conspiracy-mongering; also a sidebar by Pincus on the history of "drug allegations" against the CIA; also a 1,000 word piece in the style section by Donna Britt essentially about black paranoia.

The Suro/Pincus piece was a curious, and in many ways comical, attempt at demolition of Webb's story, adopting the hallowed technique of avoiding the overall thrust of the *Mercury News*'s assertions, while concentrating with manic intensity on some particular facet. Thus Suro and Pincus devoted many paragraphs to Webb's claim that contra drug trafficking played a crucial role in the evolution of the crack epidemic in the US. Challenging the *Mercury News*'s phrase that Nicaraguan trafficker José Blandon was "the Johnny Appleseed of crack in California", Suro and Pincus wrote that "Blandon's own accounts and law enforcement estimates say Blandon handled a total of only about five tons of cocaine during a decade-long career."

Imagine if the *Post* had been dealing with a claim by Mayor Marion Barry that during his term "only 10,000 pounds of

(Continued on p. 5)

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Bringing Israel Up To Code

The US has long covered up for Israel. This truth has again been vividly shown in the violence that erupted following the Netanyahu government's opening of a tunnel near the Al-Aqsa mosque in Jerusalem. Maintaining a long-standing practice, the US was the only member of the UN Security Council which refused to support a resolution calling on Israel to close the tunnel.

Unsurprisingly, certain arms control activists have followed a similar path. During the congressional session just ended, arms control groups lobbied hard to pass a "Code of Conduct" that would have allowed US weapons sales only to countries which hold democratic elections, do not commit "gross violations" of human rights and are not engaged in aggressive military action.

With the usual talk of the need to not "tie the President's hands in foreign policy matters", the Clinton administration opposed the measure. The House voted down the Code by a vote of 262-157 while the Senate squashed the bill by 65-35.

Even as Congress was preparing to debate the Code earlier this year Amnesty International and Human Rights Watch both produced reports documenting Israel's violations of human rights with the use of American weaponry. But in their doomed bid to get the bill through Congress, arms control groups decided to exempt Israel from the legislation, even though it obviously would be barred from buying US weapons based on the Code's language.

But these groups — including Women's Action for New Directions, Religious Action Center for Reform Judaism, the Project on Demilitarization and Democracy and Council for a Livable World — were so fearful of offending the Israeli lobby that they circulated memos on the Hill promising that Israel could continue to buy weaponry even if the Code was approved. A report prepared by the first three groups assured members of Congress that "Israel will almost certainly meet the Code" and that the legislation would "increase Israeli security".

The memo said that Israel had been criticized by the State Department for its actions on the West Bank and Gaza Strip but that the that the US government had determined that those actions did not constitute "gross violations" of human rights. One wonders what would constitute gross violations. In the past few years Israeli troops in the occupied territories have killed hundreds of unarmed demonstrators, routinely used torture, and summarily expelled residents.

The arms control groups also gloss over Israel's repeated attacks on neighboring countries. Their memo made brief mention of the country's foreign adventures but explained them away by saying that Israel "has often responded to attacks and threats of attacks by striking outside its borders. The United States has already judged these Israeli actions to be legal acts of self-defense".

This unconscionable whitewash ignores, among many "aggressive military actions", Israel's occupation of Southern Lebanon, which has been condemned a a violation of international law by th United Nations and the World Court. I response to guerrilla attacks which kille seven Israeli soldiers, Israel in 199 bombed towns, villages and refuge camps across South Lebanon. Half a mi lion people were left homeless by the a tacks and more than 125 civilians wer killed. A senior Israeli military officer sai that the goal of the campaign was to "wip the villages from the face of the earth".

None of this troubled the arms contro groups. Their memo went on to assure th Israeli lobby that "should Israel at som point not meet the code, the President an Congress are likely to approve a nationa security waiver". This rather large loop hole in the Code specifies that if the Pres dent and Congress believe an arms sale t be in the national interest, they can vot to simply ignore the Code's regulations.

In trying to pass the Code of Conduct, arms control groups whitewashed Israel's rights record.

At the bottom of the three-page white wash is a quote from Shimon Peres, sayin "The way to promote the standard of liv ing is to stop wasting money on folly ex penditures. The follies are the arms race to start with."

The Council for a Livable World pu out a fact sheet on the Code with simila language. It concurred that Israel is no guilty of "gross" violations of huma rights and classified its foreign adventure as "legal acts of self defense". One dis gusted congressional staffer familiar wit the lobbying on the Code says, "I ca understand that these groups have to ex amine the political realities. But they'r trying to achieve a laudable goal while a the same time gutting it in advance."

During the debate on the Code, som members of Congress expressed concer that the legislation might prevent sales o weaponry to the US's Arab allies. Perhap next year the arms control groups migh also want to exempt Saudi Arabia an Kuwait from the Code, in order to greas its passage. ■

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South Dakota's Globe-Trotting Senator

Larry Pressler's World Tour

One of the most vulnerable Republicans in the November elections is Larry Pressler of South Dakota, now fighting desperately to save the US Senate seat he has disgraced since 1978. In a bid to appeal to his state's austere voters, Pressler, locked in a tight race with Tim Johnson, portrays himself as a stern steward of taxpayer money, a supporter of a balanced budget and a modest sort who can empathize with the common man and woman.

In fact, Pressler is one of the most profligate members of Congress. He has spent vast sums of taxpayer money crisscrossing the globe on preposterous "fact-finding missions", used ample piles of campaign and official money for his personal expenses and abused his office by employing an aide whose sole duty is to serve as Pressler's full-time chauffeur.

Pressler's favorite way to spend other people's money is by billing the Treasury for his many junkets abroad. We learned this from a Freedom of Information Act request and a search of public records. During his past term in Congress, Pressler visited Mexico, Japan, Korea, Indonesia, Italy (several times), Finland, the former Soviet Union, England, Cuba, the Dominican Republic, Surinam, Germany, Pakistan, India, Sri Lanka, the Czech Republic, Switzerland, Holland, Russia, Kazakhstan, Uzbekistan, Turkmenistan, Moldova, Ukraine, Belarus, Latvia, Hong Kong, China, Malaysia, Singapore, Senegal, Cameroon, Kenya, Uganda, Central African Republic and Nigeria.

This list includes *only* trips taken as a member of the Senate Foreign Relations Committee, where Pressler served between 1991 and 1994. During the past six years, Pressler traveled abroad more than any other member of the Committee — fourteen times, versus nine for second-place finisher Claiborne Pell of Rhode Island, who chaired Foreign Relations for four years. Pressler also traveled extensively in the US and made further foreign trips as a member of the Commerce Committee, among other senatorial junkets. During the 1991-92 period, Pressler made at least one and often two foreign trips per month.

Pressler claims his travels are part of his official duties. But those familiar with his excursions say Pressler's prime goal is rest and relaxation, as well as getting as many passport stamps as possible. During a 1991 visit to the Caribbean, Pressler met with Fidel Castro in Cuba but otherwise accomplished little. On a swing through the Dominican Republic after his stopover in Cuba, Pressler was put up at a splendid resort, Casa del Campo, which is owned by the Fanjul family, the Florida sugar barons. There he played golf and went on a helicopter tour.

Pressler also visited Switzerland, where his primary mission was to hit the ski slopes. He frequently visits London to see Oxford chums and because he enjoys the city's lively theater scene. Pressler once saw an Ariel Dorfman play in London, which, to justify the visit, he reviewed enthusiastically from the Senate floor.

During a 1992 swing through Eastern Europe, Pressler made a brief trip to Uzbekistan. After visiting the capital of Tashkent he directed his Air Force plane to land in Samarkand, a lovely city on the ancient silk road to China, where he visited the famous market. Returning to the US, Pressler argued on the floor of the Senate that the US should help Uzbekistan's tourist industry because the country suffered from "poor hotel facilities, costly travel, costly service which must be paid for in hard currency and a lack of tourism know-how".

Pressler was desperate to go to Rio de Janeiro for the 1992 Earth Summit and lobbied fiercely to get one of the prized seats on the official Senate delegation led by then-Tennessee Senator Al Gore. In a bold stroke that landed him on the flight, Pressler, who had never before demonstrated an interest in environmental issues — he received a zero rating from the League of Conservation Voters last year — praised Gore's book *Earth in the Balance* in a speech to his colleagues.

Pressler's frequent excursions have cost taxpayers over a million dollars. The fuel alone for a 13-day excursion to Africa in 1993 was $110,758, according to gov-

Sequel: Contributions Watch Conspiracy

Our report on Philip Morris's bogus "watchdog group", Contributions Watch, caused a big media stir. We provided our documents to *The Washington Post* and ABC TV Nightly News, both of which produced major reports on the subject. The story was also picked up by all the principal wire services and dozens of regional papers in the US.

State Affairs, the pr firm which used the tobacco cartel's money to set up Contributions Watch, now is claiming that it was all a big mistake and that the company regrets that it wasn't more "transparent". Philip Morris has taken the same tack, claiming that it would have been happy to admit its links to Contributions Watch, but no one had previously asked. Of course, the documents we exposed show clearly that both the pr firm and the cigarette maker desperately sought to conceal their links to their bogus watchdog.

Contributions Watch itself appears to be dead. The funders the group was applying to for financial support will no doubt shun the outfit, as will the reporters who previously did stories praising the group's investigations.

On another front, a story in *CounterPunch* has been hailed as instrumental in helping defeat the dolphin death bill. It seems that White House Chief of Staff Leon Panetta bluntly told Al Gore that the accustations that drug cartels supported the end of the embargo rendered the bill dead in the water.

Craig van Note of the Monitor Consortium of Conservation Groups thanked us in these words: "*CounterPunch* saved the dolphin! Until you printed your exposé of the links between the Colombian cartels, the Mexican tuna industry and the White House dolphin death bill, it looked as if the bad guys were winning the day. But *CounterPunch* helped beat Al Gore's army, all the way from Barbara Dudley's Greenpeace to Tim Wirth. Your explosive disclosures made all the difference." ■

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ernment records. Then there's the cost of putting up Pressler and his guests at expensive hotels, paying for the crew's time – during the trip to Eastern Europe Pressler's plane carried a crew of six to serve Pressler, two aides and an Air Force officer – as well as maintenance and airport landing fees.

Pressler has also traveled widely within the United States. In 1992, he convinced Senators Bob Dole and George Mitchell to appoint him as one of two senators who serve a one-year term as an honorary delegate to the United Nations. Pressler milked this assignment for all it was worth, taking repeated trips to New York. He settled in at the UN Plaza Hotel, where rates rise upward from $200 per night for a single room.

To finance his treks across the US, Pressler makes generous use of his campaign funds. In 1992 alone he spent $142,000 on domestic travel to every region of the country.

Since it's illicit for Pressler to use campaign money for personal travel, he claims that his domestic trips are related to fundraising activities and are therefore legal. Yet in 1992 Pressler raised a total of $72,535, roughly half of the reported costs of his fundraising trips. He told Dwight Morris of *PoliticsNow*, an internet publication, that bills of $4,700 for hotel stays in New York in 1991 were all related to fundraising duties. But Morris found that during all of 1991, Pressler raised just $4,500 from $200-and-up contributors in New York, New Jersey and Connecticut.

Pressler is notorious for never paying for anything out of his own pocket. He continually uses official money to cover personal business. Between 1991 and 1994, he billed taxpayers $83,680.38 to cover his expenses while junketing abroad for Foreign Relations. Since 1991 he has charged his campaign for at least $75,000 in meals, among them a $633.43 feast at the Ritz Carlton and a $347.09 extravaganza at Washington's Galileo restaurant. He also once used $1,195 from his campaign money to pay for opera tickets.

This follows a long-standing pattern of Pressler's extravagant use of campaign and public money. Back in 1989, Pressler's campaign doled out $2,000 to a woman who disclosure reports said had provided "catering services". When the woman in question, Nellie Origaen, was asked what she was paid for, she said that she had cleaned Pressler's townhouse "every week, that's all".

In the Dominican Republic, Pressler golfed happily at a resort owned by Florida sugar barons.

When not jetting around at taxpayer expense or on campaign funds, Pressler's tourism is financed by the special interest groups he is supposed to oversee from his perch as chairman of the Senate Commerce Committee. Last year he took at least five such trips, including a swing to a Las Vegas telecommunications conference financed by the National Association of Broadcasters and a "fact-finding event" to Belgium paid for by Dow Jones Publishing, Inc. A four-night trip to Park City, Utah in 1993, where he attended the Senator's Ski Cup Charity Event, was covered by US West.

Pressler knew that revelations of his extravagant taxpayer-subsidized habits could hurt him during his re-election campaign. So he sharply curtailed his travel during the last third of his current term. He has taken other steps to minimize his ostentatious spending as well. Until last year Pressler was whisked about Washington in a leased Lincoln town car, but as the election approached he prudently traded this model in for a more modest vehicle.

Pressler's Washington driver is Todd Trautman. He's listed by Pressler's office as a legislative assistant, but in fact has few duties other than to serve as the senator's full-time chauffeur. Trautman has ferried Pressler on trips as near as a few blocks – to the Capitol building so the senator could cast a vote – and as far as New York, during Pressler's tenure as a UN delegate.

Trautman and the rest of Pressler's staff have the thankless task of covering up for their boss's incompetence while contending with his imperious demands and routine temper tantrums. Chief-of-Staff Doug Miller, a mild-mannered former professor, has suffered steady abuse from his boss for more than a decade, resulting in health problems. Pressler fired his secretary, Ramona Lessen, after fourteen years of service because, one well-informed source recounts, she "didn't smile enough". (Lessen, who now works for Tennessee Senator Bill Frist, declined to comment on this account.) After seeing the film *Jurassic Park*, Pressler developed a keen interest in dinosaurs. He ordered his former press secretary Christi Stewart to research the subject and prepare a scrap book for him on the topic. "Pressler likes his people bowing and scraping," one Senate staffer tells us. ■

Those Ten Million Jobs

Clinton's big claim is that he and Al Gore have created ten million new jobs. The Department of Labor has listed the top occupations furnishing this employment. They are: fast food servers, retail clerks, janitors, waiters and waitresses. ■

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(CIA/drugs, cont. from p. 1)

crack had been handled by traffickers in the blocks surrounding his offices."

Suro and Pincus attacked Webb's journalistic integrity by asserting that he had planted questions for an attorney to ask Blandon in a drug case. (Webb tells us he thought it was the only way of getting statements on the record from the Nicaraguan.) But Pincus's own credentials merit at least a passing word. Back in 1968, when stories about the CIA's penetration of the National Student Association had been broken by *Ramparts*, Pincus wrote a rather solemn exposé of himself in the *Post*, detailing how the Agency had sponsored three trips for him: to Vienna, Accra and New Delhi, where he had acted as an observer at conferences. It was clearly an apprenticeship, in which, as he well knew, Pincus was being assessed as officer material. He evidently made a good impression: the CIA asked him to work further. Pincus says he declined. The *Mercury News* would certainly be entitled to scoff at the attack on their work written in part by a former CIA asset.

But in their eagerness to play up their trail-blazing exposé, Webb and the *Mercury News* did do themselves a disservice by failing to mention the abundant investigations over the past decade detailing the CIA's role in drug smuggling throughout Central America. Indeed, from the earliest days of the Agency, there has been a perfectly understandable alliance with drug smugglers, whether in Sicily or Southeast Asia or Afghanistan. The CIA needs local criminals for its purposes. Criminal associations market drugs. Drug money is hard to trace. All of these are vital building blocks for an outfit like the CIA. The story has been vividly and meticulously documented in such work as Alfred McCoy's *Politics of Heroin in Southeast Asia*. No vague hypotheses or nebulous conspiracy-mongering mar McCoy's work. He got names, dates and places.

In the case of Central America and specifically Nicaragua, there has been similar careful documentation about the role of the Agency. Among the relevant work here: Brian Barger and Robert Parry's Associated Press piece published in the *Washington Post* (it was a slow news day) on December 25, 1985; Leslie Cockburn's TV documentary and subsequent book *Out of Control*, published in 1987; and Senator John Kerry's hearings in his Foreign Relations subcommittee from 1987 to 1989, which were followed by two major reports.

Among the salient findings of these investigations:

- When the CIA followed President Carter's orders in 1979 and 1980 to subvert the infant Sandinista regime, it first summoned Argentine military torturers to form the core of what became the contra force, and turned as well to Cuban exiles, already involved in drug smuggling.
- When Congress limited financial assistance to the contras to "humanitarian aid", Reagan's operative Oliver North set up an entity inside the State Department, known as the Nicaraguan Humanitarian Assistance Organization. This outfit lavishly funded four companies to supply "humanitarian" assistance to the contras. Each of these companies was operated by known narcotraffickers. The person in charge of this operation was Ambassador Robert Duemling. Duemling told Leslie Cockburn on the record that the names of the four companies — Vortex, Setco Air, DIACSA, and Frigorificos de Puntarenas — had been given to him by the CIA.
- General Paul Gorman, head of the US Army's Southern Command, told the Kerry Committee that he was aware of rampant drug running in Panama, Honduras, El Salvador and Costa Rica. "If you want to move arms or munitions in Latin America, the established networks are owned by the drug cartels. It has lent itself to the purposes of terrorists, of saboteurs, of spies, of insurgents and subversions."
- Equally rich in detail is the saga of Barry Seal, the DEA and CIA asset finally killed by a Colombian hit team in Baton Rouge in 1986. Seal shuttled guns for drugs, which were landed in Mena, Arkansas. After Seal's death, the writer Roger Morris was able to inspect his files, which contained abundant evidence of his work with US agencies. With Sally Denton, Morris wrote a long article on Seal and Mena which was scheduled for publication in the Outlook section of the *Washington Post* on January 29, 1995. Three days before publication, the article was pulled without explanation by Robert Kaiser, at that time managing editor of the *Post*.
- Search warrants issued for drug raids in 1986 show that LAPD officer Ronald Lister — at that time a private security consultant suspected of being part of a major crack ring — possessed cocaine, AK 47s, Uzis, and Nicaraguan contra training films and field manuals. Lister later told investigators that he "had dealings in South America and worked with the CIA".

The *Post*'s Pincus once traveled to Vienna, Accra, and New Delhi under the sponsorship of the CIA.

The *Washington Post* also managed to ignore news stories about DEA knowledge of the drug smuggling. A DEA agent, Celerino Castillo, came forward in September to tell how he encountered much evidence of drug smuggling by Contra rebels on CIA-funded arms flights while he was stationed in El Salvador in the mid-1980s. "When I sent my reports to my superiors listing the dates and aircraft numbers of the drug flights," Castillo told the *Economist*, "I was told they had been approved by the White House." Meanwhile, three former DEA agents who had worked in Latin America in the 1980s have just filed suit against the CIA claiming that their phones have been tapped by the Agency and that they have been subject to continual harassment, because of their knowledge of the CIA's direct role in drug smuggling.

The more one looks at the general picture, the more ludicrous efforts like those of Suro and Pincus become. Consider General Manuel Noriega, notorious as a career CIA asset and also as a career drug smuggler. It takes a powerful effort of willful blindness when studying the relationship of the CIA to drugs to ignore a figure like Noriega while earnestly concentrating on the exact amount of cocaine that José Blandon might have sold to Los Angeles dealers. ■

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Perry's China Syndrome

Secretary of Defense William Perry has long and successfully cultivated the air of a disinterested boffin, his attention focused only on the perfecting of advanced technological instruments for killing people. Such demeanor has earned him respectful adulation in the press, generally unmarred by suggestions that the good doctor might be concerning himself with the vulgarities of trade and profit.

Inside the military industrial complex there are those who tell a different story. Some point to the waiver Perry obtained on joining the Clinton Administration that allowed him (along with Pentagon acquisitions czar Paul Kaminski and CIA Director John Deutch) to maintain control of Cambridge Research Associates, a profitable military software company. Others simply bemoan his lifelong service in the cause of high tech boondoggery and the swollen profits of his contractor friends.

It now appears that Perry's devotion to the defense industry is not confined to these shores. On May 6, 1993, a company called SCM/Brooks International announced that it had secured a Chinese contract, potentially worth $1 billion, for a "Broadband-Integrated Service Digital Network" (B-ISDN), an advanced telecommunications switching system. The US concern had a Chinese partner, Galaxy New Technologies, owned and operated by the Chinese People's Liberation Army.

Although it was claimed that the system would be utilized to "revolutionize Chinese civilian and commercial telecommunications with America" it was in fact designed for military use. Such a sale was bound to run into heated, and perhaps insuperable, objections from entities such as the National Security Agency. Only high-level intervention could clear the way.

The executive director of SCM/Brooks was Dr. John W. Lewis, a former colleague of Perry's at the Center for International Security and Arms Control at Stanford. Perry was pastured at the Center prior to clocking in at the Clinton Pentagon. On April 26, 1993, Lewis wrote a cheery note to Frank Wisner, then under secretary for policy at the Pentagon, and attached a copy to Perry: "When we met with Bill Perry earlier this month, we discussed an advanced B-ISDN telecommunications project with China. We noted that this and many similar projects would probably be denied export licenses by the Department of Commerce on grounds known only to NSA." Attached to the note was a memo requesting clearance in which Lewis asserted that the technology was generally available on the world market.

Shortly afterwards, on May 6, 1993, the Pentagon's technology directorate noted in an internal memo that this assertion was "misleading". The technology, in fact, was "not freely available in world markets". In August 1994, Perry appointed his friend Lewis to the Defense Policy Board, a high-level Pentagon advisory group, while Lewis was reportedly still on the board of SCM.

Later that year Perry urged NSA to drop any objections to the sale. The agency appears to have complied with the secretary's request. Without further objection from Commerce (then under the direction of Ron Brown) the deal went through.

The Hong Kong-based *Far East Economic Review* first drew attention to these questionable goings on and queried whether US policy was now "converting the Pentagon into a bagman for the PLA's modernization". The Government Accounting Office has now completed a review of the affair at the request of South Carolina Republican Rep. Floyd Spence, due for release October 30.

It has been a long time since the "congressional watchdog" dared draw blood from the Pentagon, but it is expected that the forthcoming report will at least make clear that Lewis' Chinese partners were unquestionably part and parcel of the PLA. Coupled with other investigations into the administration's assistance to the Chinese military, Perry may have some explaining to do on his bagman's role. ■

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